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Welcome to the third quarter 2010 edition of *Benefit News*, brought to you by the DAS Benefits Team, providing you with the most up-to-date information about the State of Iowa's employee benefits.

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## 2011 ENROLLMENT AND CHANGE

### 2011 ENROLLMENT AND CHANGE PERIOD

The 2011 enrollment and change period will be from **October 22, 2010** through **November 22, 2010**.

During the enrollment and change period, you can:

- Enroll in a health insurance plan.
- Change the health insurance plan you are currently enrolled in.
- Add or remove eligible family members from your health insurance plan.
- Enroll in dental insurance if you are not currently enrolled and/or add eligible dependents if they are not currently enrolled. (See the article, *Dental Open Enrollment*, below.)

- Enroll in one or both of the Flexible Spending Accounts. (For more information, see the article, *Flexible Spending Accounts*, below.)
- Apply to increase or decrease supplemental term life insurance.
- Change your pre-tax premium conversion selection.

More information about the 2011 enrollment and change period will be available from your Personnel Assistant and the DAS Benefits website in October. Stay tuned!

## WHAT'S NEW IN 2011?

With the passage of healthcare reform legislation, a change in 2011 is the expansion of health and dental insurance coverage to your children through the end of the calendar year in which they turn age 26. (See the article, *Coverage for Dependent Adult Children*, below.)

**2011**

Your unmarried dependent adult child who is a full-time student can remain on your health and dental coverage beyond the age of 26. The DAS-HRE Group Insurance staff will verify the student status of these dependent adult children over the age of 26. (See the *Dependent Adult Children Verification* article below.)

Beginning January 1, 2011, services for mental health and substance abuse treatment will be covered on the same terms as all other medical and surgical services. There will no longer be different copayments or coinsurance amounts or limits on the number of inpatient hospital days or outpatient office visits for these services.

There will be an open dental enrollment during the 2011 enrollment and change period. (See the *Dental Open Enrollment* article below.)

Finally, the new healthcare legislation includes a provision that affects the Health Flexible Spending Account (FSA). Effective January 1, 2011, over-the-counter (OTC) medicine will only be considered a qualified medical expense if the individual has a prescription for the medication. (For more information, see the *Health Flexible Spending Account and Over-the-Counter Medications* article below.)

## COVERAGE FOR DEPENDENT ADULT CHILDREN

As mentioned above, a major change, effective January 1, 2011, is the expansion of health and dental coverage for your dependent adult children. You can keep your dependent adult children on your health and dental coverage until end of the calendar year in which they turn age 26.

Your dependent adult child can be:

- A **student** or **non-student**
- Live **in** Iowa or **outside** of Iowa
- Be **unmarried** or **married** (A dependent's spouse is not eligible for your insurance coverage.)



Coverage can continue through the **end of the calendar year** in which your dependent adult child turns age 26. For example, a dependent adult child, born on June 10, 1985, can remain on your coverage through December 31, 2011.

You will **not** be taxed on the added value of your dependent adult child's coverage through the end of the calendar year in which they turn age 26.

If your dependent adult child is an **unmarried full-time student**, the child can remain on your coverage **beyond the age of 26**. For an unmarried full-time student over the age of 26, there may be tax consequences. The Internal Revenue Service (IRS) has criteria to determine if a dependent qualifies as a tax dependent. If your unmarried, full-time student over the age of 26, does **not** qualify as a tax dependent, per the IRS, then the **added value** of providing your dependent health and dental coverage is taxable to you. You

are not taxed on the total health and dental family premiums but only on the amount that provides coverage for the dependent adult child.

The added value taxable amounts of providing dependent coverage is calculated for each health and dental insurance plan and for the number of non-qualified tax dependents you cover under your insurance. The 2011 added value amounts will be available at the DAS Benefits website (<http://benefits.iowa.gov/>) beginning October 22, 2010.

(Note: A permanently and totally **disabled unmarried child** may remain on your health and dental coverage **regardless of age** and no added value tax is added to your coverage.)

## DEPENDENT ADULT CHILDREN VERIFICATION

Beginning in 2011, you will need to provide documentation that your **unmarried full-time student over the age of 26** is a full-time student.

If you have an **unmarried full-time student over the age of 26** covered on your health and dental plans, DAS-HRE Group Insurance staff will mail to your home a verification form approximately 30 days prior to your dependent's birth month. For example, verification notice will be mailed in May for a dependent with a June birth month.



In addition to verifying if your dependent adult child is a full-time student, you must provide a copy of your dependent's most recent semester transcript or class schedule. The form and documentation must be returned before the end of your dependent's birth month. For example, a dependent's birth date is June 10; the verification must be received by DAS-HRE by June 30.

It is very important that you respond to a verification request. **Failure to return the verification form will mean that your dependent adult child's coverage will be terminated from the State's plan(s) on the first day of the month following the dependent's birthday.**

If you have questions about the verification process, contact Linda Goebel at 515-281-6207 or e-mail [linda.goebel@iowa.gov](mailto:linda.goebel@iowa.gov).

## DENTAL OPEN ENROLLMENT



The 2011 enrollment and change period is an open dental enrollment period. Employees not previously enrolled in dental insurance may enroll in single or family coverage. Employees currently enrolled may add their spouse or eligible dependents - **especially dependent adult children who are newly eligible due to the healthcare reform legislation**. Coverage will be effective January 1, 2011.

## FLEXIBLE SPENDING ACCOUNTS

The enrollment and change period is the time to enroll in the Flexible Spending Account (FSA) program.

If you pay for health and dependent care expenses on a regular basis, FSAs provide a way to save money on these expenses on a before-tax basis.

The FSA program allows you to set aside pretax dollars (dollars not subject to state, federal, or FICA taxes) to reimburse yourself for eligible health or dependent care expenses. Since you are not taxed on the amount you contribute to the FSAs, **you can lower your taxes and increase your spendable income.**



Use the **Health FSA** for certain medical, dental, vision, and prescriptions expenses not reimbursed by health or dental insurance. This includes your deductibles, coinsurance, copays, and out-of-pocket expenses. (See the *Health Flexible Spending Account and Over-the-Counter Medications* article below.)

The **Dependent Care FSA** is used for qualified dependent care expenses necessary for you (or, if you are married, for you and your spouse) to work. This account is for dependent care expenses for children under the age 13 or adult disabled dependents.

To participate in either or both of the flexible spending accounts, **you must enroll each year.**

The **maximum you can contribute** to your **Health FSA** is \$3,000 a year. If your spouse is eligible to participate in a health flexible spending program, he or she may also contribute to his or her employer's plan.

The **Dependent Care FSA maximum contribution** amounts depend on whether you are single or married and on your tax filing status. If you are single or married and file a joint return, the maximum contribution is \$5,000. If you are married and file separate returns, the maximum contribution is \$2,500.

The amount you elect is divided equally and deducted from your pay check 24 times a year. When you submit receipts for eligible expenses, you draw your pretax money out of your FSA. You can choose to have payments mailed to you or deposited directly into your checking or savings account.

Claims may be incurred through March 15, 2012, and must be submitted to ASI, the administrator of the state's FSA program, by April 15, 2012.

For more information about FSAs, check out the DAS Flexible Spending Accounts Web site (<http://das.hre.iowa.gov/fsa/home.html>).

**Don't forget to enroll!**

## HEALTH FLEXIBLE SPENDING ACCOUNT AND OVER-THE-COUNTER MEDICATIONS

The new healthcare legislation includes a provision that affects the Health Flexible Spending Account (FSA). Effective January 1, 2011, over-the-counter (OTC) medicine will only be considered a qualified medical expense if the individual has a **prescription** for the medication. You will be able to submit claims for eligible OTC medicines purchased through December 31, 2010.

Though the specific list of items affected has not been completely assessed, the following categories of items will require a doctor's prescription:

- Acid Controllers
- Allergy & Sinus
- Anti-Diarrhea Products
- Anti-Gas Products
- Anti-Itch & Insect Bite
- Baby Rash Ointments/Creams
- Cold Sore Remedies
- Cough, Cold & Flu Products
- Digestive Aids
- Feminine Anti-Fungal/Anti-Itch
- Hemorrhoid Remedies
- Laxatives
- Motion Sickness
- Pain Relief
- Respiratory Treatments
- Sleep Aids & Sedatives
- Stomach Ailment Remedies

You may want to consider this change in determining your 2011 annual health FSA election amount.

As the IRS and the Department of Labor regulations are developed to provide guidance, we will provide you further clarifications at the DAS Flexible Spending Account website (<http://das.hre.iowa.gov/fsa/home.html>).

## RETIREMENT INVESTORS' CLUB (RIC)

The Retirement Investors' Club (RIC) is a supplemental retirement savings program offered by the State of Iowa to help you save for your retirement. As a participant, you contribute through payroll deduction on a pretax basis. You are fully vested in RIC from day one.



## GET PAID TO SAVE YOUR OWN MONEY!

Do you know **FOR SURE** ...

1. that you will want (or be able) to keep working after age 55?
2. that your social security and IPERS income will be enough in retirement?

If you answered **NO**, read on...

The State of Iowa understands the need for you to save a portion of your income today for use in retirement. To encourage you to do so, the State agrees to match 100% (50% for SPOC-covered employees) of the contributions you make to RIC, up to the monthly match limit of \$75. Simply put – you get paid to save for your own retirement and there are no vesting requirements!

If you are not contributing to RIC, get signed up today by going to the RIC Enrollment website (<http://ric.iowa.gov/enrollment.html>). If you are not contributing at a rate to receive the full \$75/month match, you owe it to yourself to consider increasing your contribution (complete the RIC Account form ([http://ric.iowa.gov/documents/RIC\\_form.pdf](http://ric.iowa.gov/documents/RIC_form.pdf)) for changes to your existing RIC deduction amount).

## RIC IMPROVEMENTS

You may now have pretax deductions taken from all 26 paychecks in a year! If you want to change your current payroll deduction election, simply complete the RIC Account form ([http://ric.iowa.gov/documents/RIC\\_form.pdf](http://ric.iowa.gov/documents/RIC_form.pdf)).

You may make changes to your paycheck deferrals faster than ever. Payroll deduction change requests will now be processed to affect the first available paycheck of the month following receipt of the request.

Please let us know if you have questions. Call RIC toll-free at 866-460-4692 or directly at 515-242-6846 if you want more details about this program. Visit the RIC website at <http://ric.iowa.gov/>.

## PHARMACY

### MEDICATION THERAPY MANAGEMENT

State legislation passed in 2010 supported creation of a Medication Therapy Management program for state employees. Medication therapy management, also referred to as MTM, is a term used to describe a broad range of health care services provided by pharmacists.

DAS-HRE has contracted with **Outcomes Pharmaceutical Health Care** to offer medication therapy management services at **no cost to you**. Participation in the MTM program is voluntary.

Eligibility for MTM services are:

- Active State of Iowa employees and family members (except Board of Regents employees) enrolled in a State of Iowa health insurance plan.
- Retirees and family members enrolled in a State of Iowa health insurance plan.

Through Outcomes, specially-trained local Pharmacists are identified in communities throughout Iowa. Your local Outcomes participating Pharmacist will meet with you to review all your medications. This will help identify any duplications or conflicts and help to organize your medication schedule. By using an Outcomes Pharmacist, you can get the extra attention you need to keep your medications on the right track.



Anyone who uses prescription medications, non-prescription medications, herbals, or other dietary supplements may potentially benefit from MTM services.

People who may benefit the most include those who use several medications, those who have several health conditions, those who have questions or problems with their medications, those who are taking medications that require close monitoring, those who have been hospitalized, and those who obtain their medications from more than one pharmacy.

Getting started is easy. Simply visit [www.getoutcomes.com](http://www.getoutcomes.com) and use the **Pharmacist Finder** to locate an Outcomes Pharmacist near you. Then contact the Outcomes Pharmacist to schedule your comprehensive

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medication review.

More information about the MTM campaign can be found at the DAS Healthy Opportunities Medication Therapy Management website ([http://employeeewellness.iowa.gov/med\\_therapy\\_mgmt.html](http://employeeewellness.iowa.gov/med_therapy_mgmt.html)).

## HEALTHY OPPORTUNITIES

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### PERSONAL HEALTH ASSESSMENT

It's not too late to take the Personal Health Assessment (PHA). The campaign to take a PHA continues through **September 30, 2010**.

The PHA is a tool to help you know more about your current health status as well as potential health risks. Before taking the PHA, you'll need to know biometric information like height, weight, blood pressure, cholesterol and glucose readings.

All personal health information is kept confidential and will not be shared with anyone from the State of Iowa.

Good health starts with good information. Don't delay. Take your PHA today and start the journey toward a healthier you.

Information about the PHA campaign can be found at the DAS Healthy Opportunities Personal Health Assessment website (<http://employeeewellness.iowa.gov/pha.html>).



### DAS-SPONSORED BENEFIT EDUCATION

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Employee benefits can be confusing. Benefit education is a service provided by DAS benefit staff. Over **30** benefit education presentations are scheduled during the 4<sup>th</sup> quarter of 2010 with more being added!

Following are the current number of presentations scheduled for October through December.

*2011 Enrollment and Change:* **19** presentations

*Choosing the Right Health Insurance:* **4** presentations

*Continuing Benefits at Retirement:* **2** presentations

*Deferred Compensations Basics:* **3** presentations

*Deferred Compensation Distributions:* **3** presentations

*Flexible Spending Accounts:* **2** presentations



Learn to make the best use of your benefits by taking advantage of benefit education opportunities

To find out more about benefit education, check out the DAS Benefit Education website ([http://benefits.iowa.gov/benefit\\_education](http://benefits.iowa.gov/benefit_education)).

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